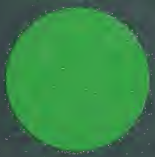
MEDICARE



HISTORY
RA
412
.3
M42
1990

RA
412.3
.M42
1990

CONTENTS

4 What is Medicare?
4 Who is eligible for hospital insurance
5 How you get hospital insurance protection
5 If you are nearing 65
6 If you are disabled
7 If you have permanent kidney failure
7 Who is eligible for medical insurance
7 How you get medical insurance protection
7 People who get automatic medical insurance enrollment
8 People who must apply for medical insurance
8 Your medical insurance enrollment period
9 Hospital insurance benefits
9 Inpatient hospital care
9 Skilled nursing facility care
10 Home health care
10 Hospice care
10 Medical insurance benefits
11 Doctors' services
11 Outpatient hospital services
11 Home health visits
11 Other medical and health services
11 What Medicare does not cover
12 If you have other health insurance
13 Buying supplemental health insurance
13 Employer group health plans
15 Any questions?

CMS Library
C2-07-13
7500 Security Blvd.
Baltimore, Maryland 21244

WHAT IS MEDICARE?

Medicare is a Federal health insurance program for people 65 or older, people of any age with permanent kidney failure, and certain disabled people. It is administered by the Health Care Financing Administration. The Social Security Administration takes applications for Medicare, assists beneficiaries in claiming Medicare payments, and provides information about the program.

Medicare has two parts—hospital insurance and medical insurance. Hospital insurance helps pay for inpatient hospital care and certain followup care. Medical insurance helps pay for your doctor's services and many other medical services and items.

Hospital insurance is financed through part of the payroll (FICA) tax that also pays for Social Security. Voluntary medical insurance is financed from the monthly premiums paid by people who have enrolled for it and from general Federal revenues.

WHO IS ELIGIBLE FOR HOSPITAL INSURANCE

You are eligible for Medicare hospital insurance **at 65** if:

- ☐ you are entitled to monthly Social Security or railroad retirement benefits, **or**
- ☐ you have worked long enough to be insured under Social Security or the railroad retirement system, **or**
- ☐ you would be entitled to monthly Social Security benefits based on your spouse's work record, **and** your spouse is at least 62 (your spouse does not have to apply for benefits), **or**
- ☐ you have worked long enough in Federal, State, or local government employment to be insured for Medicare purposes.

You are eligible **before age 65** if:

- ☐ you have been entitled to Social Security disability benefits for 24 months, **or**
- ☐ you have worked long enough in government employment and meet the requirements of the Social Security disability program.

Under certain conditions, your spouse, divorced spouse, widow or widower, or dependent parents may be eligible for hospital insurance at age 65. Also, disabled widows and widowers under 65, disabled surviving divorced spouses under 65, and disabled children 18 or older may be eligible. For more information, contact Social Security.

You are eligible **at any age** if you need maintenance dialysis or a kidney transplant for permanent kidney failure **and**:

- ☐ you are insured or are getting monthly benefits under Social Security or the railroad retirement system, **or**
- ☐ you have worked long enough in government employment.

Your wife, husband, or child may be eligible if she or he needs maintenance dialysis or a transplant. **Only** the family member who has permanent kidney failure is eligible for Medicare protection.

If you are entitled to a railroad disability annuity or railroad retirement benefit based on disability, contact a railroad retirement office to find out if you are eligible for hospital insurance.

HOW YOU GET HOSPITAL INSURANCE PROTECTION

Some people have to apply for hospital insurance protection before it can start. For others, hospital insurance protection starts automatically.

IF YOU ARE NEARING 65

You do not have to retire to have hospital insurance protection at 65. But if you plan to keep working, you will have to file an application for hospital insurance in order for your protection to begin. You should apply to Social Security about 3 months before you reach 65.

If you are receiving Social Security or railroad retirement checks, your hospital insurance protection will start automatically at 65.

If you are a government retiree who is eligible for Medicare on the basis of government employment, you will have to apply for hospital insurance in order for it to begin at 65. Contact Social Security about 3 months before your 65th birthday to file your application.

If you aren't eligible for hospital insurance at 65, you can buy it. The basic premium is $175 a month in 1990. To buy hospital insurance, you also have to enroll and pay the monthly premium for medical insurance. If you are an alien, you must be a permanent resident and must reside in the U.S. for 5 years before you can buy Medicare. You can apply at any Social Security office.

IF YOU ARE DISABLED

If you are under 65 and disabled, you will have hospital insurance protection automatically when you have been entitled to Social Security disability benefits for 24 months.

If you are a widow or widower between 50 and 65 and are disabled—but you have not applied for disability benefits because you are already receiving other Social Security benefits—you may be able to get hospital insurance. If you think you are disabled, it is to your advantage to contact Social Security as soon as possible, because there is a waiting period before you are eligible for hospital insurance.

If you are a government employee and you become disabled before age 65, you may be eligible for Medicare on the basis of your government employment. Generally, there is a 29-month waiting period before your hospital insurance protection can start. But, you should contact Social Security as soon as you become disabled.

IF YOU HAVE PERMANENT KIDNEY FAILURE

If you, your spouse, or your dependent child needs kidney dialysis or a kidney transplant, contact Social Security to apply for Medicare. You can apply by phone, or a representative can visit you to take an application if you are unable to go to the office.

If you are eligible for Medicare, your protection will start with the 3rd month after the month you actually begin maintenance dialysis treatments. Under certain conditions, your coverage can start earlier. The people at Social Security can tell you exactly when your protection will begin.

WHO IS ELIGIBLE FOR MEDICAL INSURANCE

Almost anyone who is 65 or older **or** who is eligible for hospital insurance can enroll for Medicare medical insurance. You don't need any Social Security or government work credits to get medical insurance.

Aliens 65 or older who are not eligible for hospital insurance must be permanent residents and must reside in the U.S. for 5 years before they can enroll in medical insurance.

HOW YOU GET MEDICAL INSURANCE PROTECTION

If you want medical insurance protection, you pay a monthly premium for it. The basic premium is $28.60 a month in 1990.

Some people are automatically enrolled in medical insurance. Others must apply for it.

PEOPLE WHO GET AUTOMATIC MEDICAL INSURANCE ENROLLMENT

If you are receiving Social Security benefits or retirement benefits under the railroad retirement system, you will be automatically enrolled for medical insurance—unless you say you don't want it—at the same time you become entitled to hospital insurance.

PEOPLE WHO MUST APPLY FOR MEDICAL INSURANCE

You will have to apply for medical insurance if you:

- ☐ plan to continue working past 65,
- ☐ refused medical insurance enrollment when you became entitled to hospital insurance,
- ☐ are 65 but aren't eligible for hospital insurance,
- ☐ have permanent kidney failure,
- ☐ are a disabled widow or widower between 50 and 65 who isn't getting disability benefits,
- ☐ had medical insurance but terminated your coverage,
- ☐ are eligible for Medicare on the basis of government employment, or
- ☐ live in Puerto Rico or outside the U.S.

Contact Social Security or your railroad retirement office for detailed information about medical insurance enrollment.

YOUR MEDICAL INSURANCE ENROLLMENT PERIOD

There is a 7-month initial enrollment period for medical insurance. This period begins 3 months before the month you first become eligible for medical insurance and ends 3 months after that month.

If you enroll during the first 3 months of your enrollment period, your medical insurance protection will start with the month you are eligible. If you enroll during the last 4 months, your protection will start 1 to 3 months after you enroll.

If you don't take medical insurance during your initial enrollment period, you can sign up during a general enrollment period—January 1 through March 31 of each year. But if you enroll during a general enrollment period, your protection won't start until the following July. Also, your monthly premium will be 10 percent higher than the basic premium for each 12-month period you could have been enrolled but were not.

Special rules apply to workers and their spouses age 65 or older—and to disabled people under 65—who have employer group health coverage. See pages 13 and 14.

HOSPITAL INSURANCE BENEFITS

Medicare hospital insurance can help pay for inpatient hospital care, inpatient care in a skilled nursing facility, home health care, and hospice care.

INPATIENT HOSPITAL CARE

If you need inpatient care, hospital insurance helps pay for up to 90 days in any participating hospital in each benefit period. In 1990, hospital insurance pays for all covered services for the first 60 days, **except for the first $592.** For the 61st through 90th day, hospital insurance pays for all covered services **except for $148 a day.**

If you ever need more than 90 days of hospital care in any benefit period, you can use some or all of your 60 non-renewable "reserve days." For each reserve day you use, hospital insurance pays for all covered services **except for $296 a day in 1990.**

Covered services include semiprivate room, all meals, regular nursing services, operating and recovery room costs, hospital costs for anesthesia services, intensive care and coronary care, drugs, lab tests, X-rays, medical supplies and appliances, rehabilitation services, and preparatory services related to kidney transplant surgery.

SKILLED NURSING FACILITY CARE

If you need inpatient skilled nursing or rehabilitation services after a hospital stay and meet certain other conditions, hospital insurance helps pay for up to 100 days in a participating skilled nursing facility in each benefit period. In 1990, hospital insurance pays for all covered services for the first 20 days and all **but $74 a day** for up to 80 more days.

Covered services include semiprivate room, all meals, regular nursing services, rehabilitation services, drugs, medical supplies, and appliances.

HOME HEALTH CARE

If you are confined to your home and meet certain other conditions, hospital insurance can pay the full approved cost of home health visits from a participating home health agency. There is no limit to the number of covered visits you can have.

Covered services include part-time skilled nursing care, physical therapy, and speech therapy. If you need one or more of those services, hospital insurance also covers part-time services of home health aides, occupational therapy, medical social services, and medical supplies and equipment.

HOSPICE CARE

Under certain conditions, hospital insurance can help pay for hospice care for terminally ill beneficiaries, if the care is provided by a Medicare-certified hospice.

Special benefit periods apply to hospice care. Hospital insurance can pay for a maximum of two 90-day periods and one 30-day period.

Covered services include doctors' services, nursing services, medical appliances and supplies including outpatient drugs for pain relief, home health aide and homemaker services, therapies, medical social services, short-term inpatient care including respite care, and counseling.

Hospital insurance pays almost all of the cost of outpatient drugs and inpatient respite care. For all other covered services, hospital insurance pays the full cost.

MEDICAL INSURANCE BENEFITS

Medicare medical insurance helps pay for your doctor's services and a variety of other medical services and supplies that are not covered by hospital insurance. Many of the services needed by people with permanent kidney failure are covered only by medical insurance.

Each year, as soon as you meet the annual medical insurance deductible, medical insurance generally will pay 80 percent of the approved charges for covered services you receive during the rest of the year. In 1990, the annual deductible is $75.

DOCTORS' SERVICES

Medical insurance covers doctors' services no matter where you receive them in the U.S. Covered doctors' services include surgical services, diagnostic tests and X-rays that are part of your treatment, medical supplies furnished in a doctor's office, services of the office nurse, and drugs which are administered as part of your treatment and cannot be self-administered.

OUTPATIENT HOSPITAL SERVICES

Medical insurance covers outpatient hospital services you receive for diagnosis and treatment, such as care in an emergency room or outpatient clinic of a hospital.

HOME HEALTH VISITS

Medical insurance can cover an unlimited number of home health visits if all required conditions are met, and you do not have Medicare hospital insurance.

OTHER MEDICAL AND HEALTH SERVICES

Under certain conditions or limitations, medical insurance covers other medical services and supplies. Some examples are: ambulance transportation; home dialysis equipment, supplies, and periodic support services; independent laboratory tests; outpatient physical therapy and speech pathology services; and X-rays and radiation treatments.

WHAT MEDICARE DOES NOT COVER

Medicare provides basic protection against the high cost of illness, but it will not pay all of your health care expenses. Some of the services and supplies Medicare cannot pay for are: custodial care, such as help with bathing, eating, and taking medicine; dentures and routine dental care; eyeglasses, hearing aids, and examinations to prescribe or fit them; nursing home care except for care in a skilled nursing facility; personal comfort items, such as a phone or TV in your hospital room; prescription drugs and patent medicines; and most routine physical checkups and related tests.

In certain situations, Medicare can help pay for care in qualified Canadian or Mexican hospitals. Otherwise, Medicare cannot pay for hospital or medical services you receive outside the U.S. (Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Northern Mariana Islands are considered part of the U.S.)

IF YOU HAVE OTHER HEALTH INSURANCE

Many private health insurance companies point out that their policies for people who have Medicare are designed to coordinate their coverage with Medicare. They recommend that their policyholders sign up for Medicare medical insurance to have full protection.

If you have other health insurance, it may not pay for some of the services that are covered by Medicare medical insurance. You should get in touch with your insurer or agent to discuss your health insurance needs in relation to Medicare protection. This is particularly important if you have family members who are covered under your present policy. Also, in planning your health insurance coverage, remember that most nursing home care is not covered by Medicare or private health insurance policies.

If you have health care protection from the Veterans Administration (VA) or under the CHAMPUS or CHAMPVA program, your health benefits may change or end when you become eligible for Medicare. You should contact the VA, the Department of Defense, or a military health benefits advisor for information before you decide not to enroll in Medicare medical insurance.

If you have health care protection from the Indian Health Service, a Federal employees' health plan, or a State medical assistance program, the people there probably can help you to decide whether it is to your advantage to have Medicare medical insurance.

For your own protection, be sure not to cancel any health insurance you now have until the month your Medicare coverage begins.

BUYING SUPPLEMENTAL HEALTH INSURANCE

If you are thinking about buying private insurance to supplement Medicare, please make sure it does not simply duplicate your Medicare coverage. If you want help in deciding whether to buy private supplemental insurance, ask Social Security for the pamphlet, *A Guide To Health Insurance For People With Medicare* or the factsheet, *Should You Buy A Supplement To Medicare?* These pamphlets describe the various types of supplemental insurance available.

EMPLOYER GROUP HEALTH PLANS

Group health plans that cover at least one employer with 20 or more employees are required to offer their workers age 65 or older the same health benefits that are provided to younger employees. They also must offer the spouses age 65 or older of workers of any age the same health benefits given younger spouses.

If you are 65 or older and continue working—or are the spouse 65 or older of a worker—and you accept the employer's health plan, Medicare will be the secondary health insurance payer. This means that you or your doctor should bill the other insurance plan first. Medicare ordinarily pays that part of the bill that your other plan does not pay.

If you reject the employer's health plan, Medicare will be the primary health insurance payer. The employer is not allowed to offer you Medicare supplemental coverage if you reject his or her health plan.

If you have reason to believe that your employer's plan is not providing you with the same benefits extended to younger workers, or if your employer's plan is paying benefits secondary to Medicare, you should bring this to the attention of the insurance carrier that handles your Medicare claims.

Also, if you work past 65—or are a spouse 65 or older—and are covered under an employer health plan from an employer of any size, you can wait to enroll in Medicare medical insurance during a 7-month special enrollment period. The special enrollment period begins with the month the plan coverage ends, or the month employment ends—whichever comes first. If you meet certain requirements, you won't have to wait for a general enrollment period, and you won't have to pay the 10 percent premium surcharge for late enrollment.

If you are under 65 and disabled, Medicare will be the secondary payer if you choose coverage under your employer's health plan or a family member's employer health plan. This provision applies only to large group health plans. A large group health plan is any plan that covers employees of at least one employer that has 100 or more workers. But, you have special enrollment period and premium rights under Medicare medical insurance that are similar to those workers 65 or older have. For more information about these special rules, contact your employer.

If you are under 65, are entitled to Medicare solely on the basis of permanent kidney failure, and have an employer group health plan, Medicare will be the secondary payer for an initial period of up to 12 months. At the end of the 12-month period, Medicare becomes the primary payer.

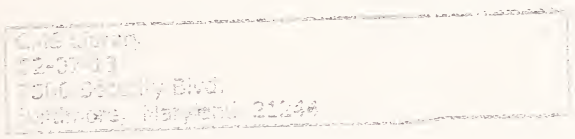
If you are under 65 and entitled to Medicare on the basis of disability or because you have kidney failure and your employer's plan is denying you coverage, offering you different coverage, or paying benefits that are secondary to Medicare, notify the insurance carrier that handles your Medicare claims.

ANY QUESTIONS?

If you have any questions about Medicare, please contact Social Security. For more information, visit or write any Social Security office, or phone our toll-free number, 1-800-2345-SSA (1-800-234-5772). You can speak to a teleservice representative weekdays during normal business hours.

Because most calls from our current beneficiaries occur the first week of every month, and on Mondays and Tuesdays of other weeks, we can respond to your requests more promptly if you call at other times in the month. If your business is urgent, however, call right away. Early in the morning and late in the afternoon are also the best times to call. We give you this information so we can provide the best possible service.

The Social Security Administration treats each call confidentially. We also want to ensure that you receive accurate and courteous service. That is why we have a second Social Security representative listen to some telephone calls.



Department of
Health and Human Services
Social Security Administration
Baltimore, Maryland 21235

OFFICIAL BUSINESS
PENALTY FOR PRIVATE USE, $300

Postage and fees paid
U.S. Department of HHS
HHS-397

FIRST CLASS

U.S. Department of
Health and Human Services
Social Security Administration
SSA Publication No. 05-10043
April 1990
ICN 460000